



State of California  
**Employment Training Panel**

**Amendment Proposal for:  
Pactiv Corporation**

**Agreement Number: ET08-0257**

Panel Meeting of: **October 17, 2008**

ETP Regional Office: **North Hollywood**

Analyst: M. Tolentino

**CURRENT PROJECT PROFILE**

Contract Type:	Priority/Retrainee	Industry Sector(s):	Manufacturing
Counties Served:	Los Angeles, Fresno, Kern, San Bernardino, Tehama	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No United Food and Commercial Workers, Local 1167	Priority Industry:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Current Contract Term: November 19, 2007 to November 18, 2009

Current Funding	In-Kind Contribution	Substantial Contribution
\$491,814	\$934,602	\$0

**AMENDMENT FUNDING**

Requested Funding	In-Kind Contribution
\$650,988	\$1,735,426.72

Total Funding
\$1,142,802

**AMENDMENT TRAINING PLAN TABLE**

Job No.	Job Description	Type of Training	Average No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Priority/Retrainee	Continuous Improvement	234	24-200	0	\$1,458	\$12.38
				Weighted Avg: 81			
2	Priority/Retrainee	Continuous Improvement	94	24-200	0	\$648	\$12.38
				Weighted Avg: 36			
3	Priority/Retrainee	Continuous Improvement	81	24-200	0	\$1,206	\$12.38
				Weighted Avg: 35			
4	Priority/Retrainee	Continuous Improvement	47	40-200	0	\$3,240	\$12.38
				Weighted Avg:180			
5	Priority/Retrainee	Continuous Improvement	71	24-200	0	\$1,224	\$12.38
				Weighted Avg: 68			
6	Priority/Retrainee	Continuous Improvement	259	24-200	0	\$1,494	\$12.38
				Weighted Avg: 83			
7	Phase II Priority/Retrainee	Continuous Improvement	107	24-200	0	\$594	\$14.02
				Weighted Avg: 33			

**Minimum Wage by County:** For Job Numbers 1 through 6: Los Angeles County - \$13.51 ; Fresno, Kern, San Bernardino, Tehama Counties - \$12.38; For Job Number 7: Los Angeles County - \$14.02

**Health Benefits:** ☒ Yes ☐ No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:** ☒ Yes ☐ No

\$2.02 per hour may be used to meet the Post-Retention Wage.

**Other Benefits:** 401k, Long/Short Term Disability, Pension

Wage Range by Occupation	
Occupation Title	Wage Range
Administrative Staff	
Engineering Staff	
Logistics Staff	
Manager & Supervisor	
Production Staff	

**INTRODUCTION**

Pactiv Corporation (Pactiv), headquartered in Lake Forest, Illinois, is a producer of specialty packaging products such as carry-out containers, school lunch containers, and “Hefty” brand products for the consumer and foodservice/food packaging markets. The ETP Agreement

currently funds Continuous Improvement training for workers from Pactiv's Bakersfield, Fresno, Red Bluff, San Bernardino, La Mirada and City of Industry facilities.

### **AMENDMENT DETAILS**

In November 2007, Pactiv requested \$988,416 in ETP funding. However, due to performance on previous ETP Agreements, the request was reduced to the current amount of \$491,814.

The contractor's representatives state that since the inception of the Agreement, Pactiv has delivered training equivalent to 78% of total ETP Agreement amount. According to Pactiv representatives, current funding is not sufficient to cover the training needed by trainees currently enrolled. Therefore, the contractor is requesting to increase ETP funding to Job Numbers 1, 4, 5 and 6.

Additionally, Pactiv is also requesting a new Job Number 7 to train workers from its Santa Fe Springs facility. This facility was not included in the original application because it had an ETP Agreement which eventually expired on June 6, 2008. This amendment will allow Pactiv to consolidate all facilities into one ETP Agreement and train workers from Santa Fe Springs in the Lean Manufacturing philosophy and methodology.

### **RECOMMENDATION**

Staff recommends the Panel approve the Amendment for additional ETP funding, as this training will enable the company to acquire the knowledge needed to increase its efficiency and production levels, decrease non-value-add processes and instill the new business philosophy in employees and management team.

### **CURRENT CONTRACT PERFORMANCE**

The following table summarizes performance by the company under the current ETP Agreement(s).

Agreement No.	Approved Amount	Term	No. Trainees (Average)	No. Completed Training	No. Retained
ET08-0257	\$491,814	11/19/07 – 11/18/09	780	55	0

Currently, Pactiv has enrolled 793 trainees from its Bakersfield, Fresno, San Bernardino, La Mirada and City of Industry facilities, 185 of which have completed the required minimum (24) training hours with potential earnings of \$385,632 (78% of Agreement Amount).

Bill Lathrop  
President



Brent Denkers  
Secretary-Treasurer

United Food and Commercial Workers Union

August 11, 2008

State of California  
Employment Training Panel  
1100 "J" Street, 4<sup>th</sup> Floor  
Sacramento, CA 95814

RE: Letter of Support

The United Food & Commercial Worker Union, Local 1167, concurs with the proposed ETP training project for our members at Pactiv Corporation, 14505 Proctor Avenue, City of Industry, CA 91746.

A handwritten signature in black ink, appearing to read 'Chris Marentes'. The signature is written in a cursive, flowing style. Below the signature is a horizontal line, and below that line is the printed name 'Chris Marentes'.

Chris Marentes

8/26/08  
Date

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